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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
08/581,992	01/02/1996	FRANK J. PELLEGRINO		7356

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EXAMINER
KAZIMI, HANI M

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 07/02/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Offic Action Summary	Application No. 08/581,992	Applicant(s) PELLEGRINO ET AL.
	Examiner Hani Kazimi	Art Unit 3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *10 October 2002* .

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-19* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-19* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____ .

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .
4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

DETAILED ACTION

1. In view of the decision by the Board of Patent Appeals and Interferences filed on October 10, 2002, PROSECUTION IS HEREBY REOPENED. The objections and rejections are set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

(1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,

(2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

Status of Claims

2. Of the original claims 1-18, and the added claim 19, claims 1, and 11 have been amended by Applicants' amendment filed on December 21, 1998. Therefore, claims 1-19, are under prosecution in this application.

Response to Applicants' Amendment

Claim Objections

3. Claim 19 is objected to because, it is in improper form. Claim 19 appears as a dependent claim. Any claim which is in dependent form but which is so worded that it, in fact, is not a proper dependent claim, as for example it does not include every limitation of the claim on which it depends, will be required to be canceled as not being a proper dependent claim; and cancellation of any further claim depending on such a dependent claim will be similarly required. The applicant may thereupon amend the claim to place it in proper dependent form, or may redraft it as an independent claim, upon payment of any necessary additional fee. See MPEP § 608.01(n). Appropriate correction is required.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. § 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-19, are rejected under 35 U.S.C. § 101 because the claimed invention is directed to a non-statutory subject matter.

Claims 1-19 do not produce a "concrete" result in the "Method for determining the risk associated with licensing or enforcing intellectual property". The results (scores) in the present application do not produce concrete results, it is unclear how the present application expresses

the use of the resulting score, and how is it used in representing a relative degree of strength associated with commercializing intellectual properties.

The results of applicant's invention in arriving at a probable success factor is clearly not the same results found in *State Street Bank & Trust Co. V. Signature Financial group, Inc.,* 149 F 3d 1371; 47 USPQ 2d 1599 decided by the U.S. Courts of Appeals. "Today we hold the transformation of data representing discrete dollar amounts by a machine through a series of mathematical calculations into a final share price constitutes a practical application of a mathematical algorithm, formula or calculation because it produces a useful, concrete and tangible result, a final share price momentarily fixed for recording and reporting purposes". In the State Street case the "concrete, tangible, and useful results" is allocating money to different funds.

In the *AT&T v. Excel Communications* the useful, concrete, and tangible results is the claimed step of "producing message record for long distance telephone calls, enhanced by addition of Primary Interexchange Carrier (PIC) indicator", the system performs different calculations and the result facilitates differential billing of calls made by the subscriber to long distance service carrier.

The definition of concrete is particular and specific, not general. In the present application, the disclosure is nothing more than generalities as to various risks and assessing and categorizing various risk factors. Composite scores are adjusted by multiplying by a moral hazard factor in enforcing any given intellectual property. However, the disclosure is short on specifics as to explicitly how certain risk factors, cost factors, profit factors, and moral hazard

factors are determined. Pages 12-18 of the specification list 100 different risk factors but there appears to be so many variables and subjective determinations to be made at each step of the calculation system. Furthermore, it is unclear from the disclosure how the computer would be programmed, without undue experimentation, to convert text and essay questions and responses into computer data and in order to take into account all of theses subjective risk factors which the calculation process appears to entail. Although the instant specification is replete with generalizations regarding the various factors to be taken into consideration, it is short on any specific direction or guidance as to actually gathering the necessary data, inputting the required data and programming a computer to achieve the desired results. Further, the specification lacks guidance as to how to use the score in representing a relative degree of strength associated with commercializing intellectual properties. There is no indication in the specification of how the composite score is used to evaluate the strength of a specific intellectual property nor how the probable success factor is used in undertaking a lawsuit, the actual step of evaluating the strength of an intellectual property using the score is not performed. A manipulation of risk scores, without the means to effect the actual determination of relative degree of strength associated with commercializing intellectual properties, is not of itself patentable.

Therefore, it is clear from the definition of "concrete" and the analysis of the disclosure and the claimed limitations of the present invention mentioned above that the disclosure of the present invention is nothing more than generalizations regarding the various factors to be taken into consideration, and it is short on any particular or specific direction or

guidance in achieving the desired results and in providing a concrete result. Consequently, the claims are analyzed based upon the underlying process and thus rejected as being directed to a non-statutory process.

Claim Rejections - 35 USC § 112

6. The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

7. Claims 1-19 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

In particular, the disclosure is nothing more than generalities as to various risks and assessing and categorizing various risk factors. Composite scores are adjusted by multiplying by a moral hazard factor in enforcing any given intellectual property. However, the disclosure is short on specifics as to explicitly how certain risk factors, cost factors, profit factors, and moral hazard factors are determined. Pages 12-18 of the specification list 100 different risk factors but there appears to be so many variables and subjective determinations to be made at each step of the calculation system. Furthermore, it is unclear from the disclosure how the computer would be programmed, without undue experimentation, to convert text and essay

questions and responses into computer data and in order to take into account all of theses subjective risk factors which the calculation process appears to entail. Although the instant specification is replete with generalizations regarding the various factors to be taken into consideration, it is short on any specific direction or guidance as to actually gathering the necessary data, inputting the required data and programming a computer to achieve the desired results. Further, the specification lacks guidance as to how to use the score in representing a relative degree of strength associated with commercializing intellectual properties. There is no indication in the specification of how the composite score is used to evaluate the strength of a specific intellectual property nor how the probable success factor is used in undertaking a lawsuit, the actual step of evaluating the strength of an intellectual property using the score is not performed. For further examination the claims are interpreted in light of the 35 U.S.C. § 101, and 35 U.S.C. § 112, first paragraph rejection.

Claim Rejections - 35 USC § 103

8. The following is a quotation of 35 U.S.C. § 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

9. The factual inquiries set forth in *Graham v. John Deere Co.*, 148 USPQ 459, that are

applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or unobviousness.

10. Claims 1-19, are rejected under 35 U.S.C. § 103(a) as being unpatentable over Donner U.S. Patent No. 5,999,907.

Claims 1, 3-5, 8-15, 18, and 19, Donner discloses a process for evaluating the strength of a specific intellectual property including a patent, a trademark, and a copyright for purposes of commercializing it and determining the probable success of an intellectual property enforcement lawsuits comprising the steps of:

interacting with a computer (column 4, lines 23-46); entering data from one or more sources including from a completed set of pre-selected tasks into said computer, said computer having been pre-programmed such that said data is organized by one or more predetermined risk factors grouped into categories (abstract, column 2, lines 7-44, and column 4, lines 23-46); evaluating the data by comparing each risk factor and each category to a preset standard; (abstract, column 2, lines 7-44, and column 23 thru column 5, line 40); and computing a score by transforming said data into a composite score by calculating a score for each category that is weighted and combined with other category scores which represents a relative degree of strength

associated with the lawsuits (abstract, and column 5, line 32 thru column 7, line 60).

Donner fails to teach the step of entering data from a questionnaire completed by the owner of the intellectual property.

Official notice is taken that entering data into a computer from a questionnaire is old and well known in the art.

It would have been obvious to one of ordinary skilled in the art at the time the applicant's invention was made to modify the teachings of Donner to include the step of entering data from a questionnaire completed by the owner of the intellectual property because, it provides a more efficient and accurate analysis in determining the strength and the estimated value of a specific intellectual property.

Claim 2, Donner fails to teach the process of entering the data into the computer via telephone from a location other than the location having the computer.

Official notice is taken that entering data into a computer via telephone from a location other than the location having the computer is old and well known in the art.

It would have been obvious to one of ordinary skilled in the art at the time the applicant's invention was made to modify the teachings of Donner to include the step of entering the data into the computer via telephone from a location other than the location having the computer because, it provides convenience to the user and a system that is user friendly.

Claims 6, 7, 16, and 17, Donner teaches that the composite score is modified by a moral hazard factor to calculate a probable success factor to determine the net recovery from commercializing the intellectual property (abstract, and column 5, line 32 thru column 7, line 60).

Conclusion

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hani Kazimi whose telephone number is (703) 305-1061. The examiner can normally be reached Monday-Friday from 8:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (703) 308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703) 305-7687 or 7658.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113 or 1114.

HANI M. KAZIMI
PRIMARY EXAMINER

Art Unit 3624

May 30, 2003